



Massachusetts Division of Insurance

# Consumer Information

## Flood Insurance Facts

### Fire or Flood?

If you are like most homeowners, you wouldn't even consider living in your home without an insurance policy that covers you for the damage that would be caused by a major fire. However, in many regions of the United States you actually face a greater risk of something that your current policy probably doesn't cover: a serious flood that could cost tens of thousands of dollars.

Flooding is the most common, costly and deadly severe weather related natural disaster in the country. If your home is one of the 13 million American homes that are located in a high-risk flood area, you actually have a 26 percent chance of flooding during the course of a 30 year mortgage – far greater than the 10 percent risk of experiencing a fire during the same timeframe.

Most people think of flooding as something that happens only during heavy rainfall, but warmer spring temperatures bring about rapid snowmelt and can sometimes result in flooding when the sun is shining.

### Know Your Risk of Flood

To help families better understand their flood risk and the steps they can take to protect lives and property, the Federal Emergency Management Agency (FEMA) and the National Oceanic and Atmospheric Administration (NOAA) have created an interactive "flood impact map" that features information about the scope and severity of flood events in our community in recent years. The map is available at [www.floodsmart.gov/noaafloodweek](http://www.floodsmart.gov/noaafloodweek), and the site also includes tips on what to do before, during and after a flood.

Floodsmart.gov provides helpful links to information on the National Flood Insurance Program (NFIP), which makes flood insurance available for an average cost of \$550 a year – and as low as \$119 a year if you live in a lower risk area. Administered by the federal government, the insurance is available to renters, homeowners and business owners through approximately 85 insurance companies in more than 20,800 participating communities nationwide.

### Flood Insurance Protects You

Flood policies make especially good sense when you consider the average individual flood claim amounts to more than \$20,000. Flood insurance is also a smart bargain compared to disaster assistance, which is only available to families when a disaster has been federally declared and usually takes the form of a loan that must be paid back with interest. Flood insurance can be purchased for properties both inside, and outside, of the highest risk areas – but it should be considered regardless of where you live. A quarter of all flood claims come from moderate-to-low risk areas, and the smart move is to take the simple steps you can to protect your family.

Floods can strike without warning. Most policies take 30 days before they go into effect so you cannot wait until you are facing another alarming weather forecast or direct warning to purchase coverage. Contact your insurance company or agent today to discuss your flood insurance needs.

### Learn More About Flood Insurance

Read the Division's answers to frequently asked questions about floods and flood insurance.

If you have questions about flood insurance or any other line of insurance, contact the Division of Insurance by calling our consumer hotline – 617-521-7794 – or visit our website at [www.mass.gov/doi](http://www.mass.gov/doi).

### Stop. Call. Confirm.

If you are unsure about the insurance company you are dealing with, **STOP** before signing any paperwork or writing a check; **CALL** your state insurance department - easily reached by phone; and **CONFIRM** the company or agent offering insurance is legitimate and licensed in the state.